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Kuwait

Honey Market

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Report Highlights: Kuwait's honey production is negligible. Consumption needs are met by imports. The United States and Australia are the principal suppliers to 825 MT market. Honey imports are increasing at the rate of 3 percent annually, while imports from the United States are increasing at the rate of 6 percent annually.

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Report Highlight

Kuwait's honey production is negligible. Consumption needs are met by imports. Total imports in 1999 are estimated at 825 metric tons. The United States and Australia are the principal suppliers, accounting for 26-32% of the market each, depending on the year. Total honey imports are increasing at the rate of 3 percent annually, while imports from the United States are increasing at the rate of 6 percent annually. This is due to increased awareness of the high quality of U.S. honey and the wide range of U.S. honey package sizes and types available. The retail sector accounts for 80 percent of total consumption, while institutional and industrial use account for 10 percent of consumption each. Total imports in 2004 are projected at 950-1,000 metric tons of which an estimated 360 tons, or 37 percent, will be imported from the United States.

A. Trends in Consumption

Kuwait's honey production is negligible. Total imports, thus consumption, of honey increased 3 percent annually from 686 metric tons in 1993 to an estimated 800 tons in 1998. The increase was due mainly to the increase in population from 1.5 million in 1993 to an estimated 1.9 million in 1998.

During the same period, imports of honey from the United States increased 6 percent annually from 182 tons in 1993 to about 240 tons in 1998. The faster than average increase in U.S. honey imports is due to a wider range of U.S. honey package sizes and shapes as well as to promotional activities of the importers, the U.S. Agricultural Trade Office in Dubai and the National Honey Board.

Total imports of honey are expected to increase further to about 825 tons in 1999 as the population is expected to increase further to just over 2.0 million. Based on current population and import trends, Kuwait's total honey imports in 2004 are expected to reach 950-1,000 tons, including 360 tons, or 37 percent from the United States.

Trade sources report that 80 percent of the imported honey is marketed for retail consumption; 10 percent for institutional use, mostly purchased through government tenders for public hospitals and the military; and 10 percent for industrial use, mainly in bakeries. Consumers prefer small retail jars of 227, 250, 340 and 454 gram sizes. Institutional users on the other hand purchase 1-3 kilo cans. According to the trade, available U.S. honey packaging types and sizes are fully compliant with local tastes and preferences.

B. Domestic and Foreign Competition

Local production of honey is negligible. Thus, practically all of the country's consumption needs are met by imports. The United States and Australia are traditionally the principal suppliers of honey to Kuwait accounting together for 50-60 percent of the country's total honey imports, with their market shares alternatively ranging from 26-32 percent each, depending on the year.

Iran, Germany and Saudi Arabia are other major suppliers (See Appendix A attached), while smaller suppliers include the United Kingdom, France, Turkey, Greece and Lebanon. Normally, one or two brands from each of these countries dominate exports from that country. “Sue Bee” brand honey from the United States accounts for an estimated 25 percent of the total market, “Capillano” and “Diamond” brands from Australia account together for about 30 percent of the market, “Lagnese” and “Hintz” from Germany account together for about 15 percent of the market, while “Al-Shifa” brand from Saudi Arabia accounts for an estimated 10 percent of the market.

C. Distribution and Pricing

Honey is imported in Kuwait by 20-25 private importers, but the market is dominated by about a dozen leading importer/ distributors of food products. On the retail side, forty-three consumer cooperative societies, distributed geographically on district basis throughout the country, account for about 80 percent of the food retail trade in Kuwait. One Western style, privately owned, supermarket chain as well as a number of smaller supermarkets, account for the balance of the food retail trade in the country.

According to trade sources, the wholesale mark-up for food products in Kuwait is normally 10 percent, while the retail mark-up is 10-15 percent. This means that the retail price is normally 20-25 percent above the import price.

Because there is virtually no local production, imported brands compete on price, quality and packaging. Appendix B, attached, lists current retail prices of a number of packaged honey products from different sources in Kuwait.

Newspaper advertising is reportedly the most cost effective tool for brand recognition. Television advertising, particularly on regional satellite TV stations, is very effective, but costly. Many brands, including U.S. brands are advertised through in-store promotions. The U.S. Agricultural Trade Office (ATO) in Dubai organizes in-store promotions for U.S. food products, including honey, in major cooperatives and the leading private supermarket chain. The National Honey Board also organizes in-store promotions for U.S. honey in Kuwait.

D. Packaging

There are no legal requirements with regard to package size for food products in Kuwait. Trade sources however report that consumers prefer small size jars of 227, 250, 340, 454 and 500 grams. Larger families normally buy the larger size jars of 750 grams and 1 kilo, while institutional users prefer 1, 2 and 3 kilo cans.

The leading brands normally offer a wide range of sizes to meet the needs of the retail and institutional markets. Also, trade sources report that honey packages in the shape of animals (bears, etc.) or other figures (house, pyramid, etc.) are popular with local consumers.

For food products in general, production and expiry dates are required for all foodstuffs in Kuwait. While there are no official shelf-life requirements for honey in Kuwait to this date, most traders require a shelf-life of 24 months from their suppliers.

Production and expiry dates must be printed on the original label in indelible ink in the order of day/month/year if the shelf-life is less than six months, or month/year if the shelf-life is six months or more. Dates in English are accepted in lieu of Arabic, provided that only digits are used, not words. For example 07/99 is accepted but not July/ 99.

All food labels must include the following information, in Arabic, on the original label or primary packaging:

- Product and brand name
- Country of origin
- Ingredients, in descending order of proportion
- Additives, if any
- Origin of animal fat (e.g., beef fat), if applicable
- Net content in metric units (volume in case of liquids)
- Production and expiry dates (English only is also permitted, as is Arabic/English)
- Manufacturer's and/or packer's name and address
- Special storage, transportation and preparation instructions, if any.

Bilingual labels are permitted, provided one of the languages is Arabic (e.g. Arabic/English). Arabic language stickers are permitted in lieu of original Arabic or bilingual labels, provided the sticker: 1) is extremely difficult to remove; 2) includes all required label information; 3) does not cover required information on the original label; and 4) does not contradict information on the original label. In fact, local officials consider such stickers to be labels.

E. Import Regulations

There are no import duties on any food product, including honey, in Kuwait. There are also no import quotas, import licenses or any other non-tariff barriers for honey in Kuwait.

Kuwait has local standards for most food products including honey. These are mostly based on Codex Alimentarius specifications. The Kuwaiti standard for honey is KS 492/1993, which is equivalent to Gulf Cooperation Council (GCC) standard GS 147/1993. Specific questions about this standard may be addressed to ATO Dubai at the address/contact numbers provided in Section F of this report.

Other details on Kuwait's food and agricultural import regulations and standards are available in Kuwait's "Food and Agricultural Import Regulations and Standards (FAIRS) report KU 8004, dated November 30, 1998. This and other reports from ATO Dubai and other FAS posts worldwide are available on the USDA/FAS Home Page on the Internet at the following URL:

<http://www.fas.usda.gov>

All newly imported food products to Kuwait are tested for wholesomeness and compliance with local standards and regulations. If the product passes the initial testing, subsequent shipments are not subjected to testing until a reasonable time has elapsed, normally six months.

Trade sources report that U.S. honey imports have not encountered any problems with food health regulations or standards in Kuwait in the recent past.

F. Importers

A list of Kuwait honey importers, their addresses and contact numbers may be obtained from:

AgExport Services Division
Stop 1052
1400 Independence Ave., SW
U.S. Department of Agriculture, FAS
Washington, D.C. 20250-1052
Tel: 202-720-7103; Fax: 202-690-4374

Alternatively, the honey importers' list may be obtained from:

Agricultural Trade Office (ATO)
U.S. Consulate General
P.O. Box 9343
Dubai, U.A.E.
Tel: (971-4) 314-063, Fax: (971-4) 314-998
E-mail: atodubai@emirates.net.ae

Appendix A

Kuwait: Honey Imports CY 1993-1997 (Metric Tons)

Country of Origin	1993	1994	1995	1996	1997
Australia	174	167	208	199	231
Germany	81	26	41	52	46
Iran	86	40	111	39	-
Saudi Arabia	-	59	60	74	73
U.S.A.	182	142	221	212	193
Others	163	96	141	96	171
Totals	686	530	782	672	714

Source: Kuwait, Ministry of Planning, Central Statistics Organization, Trade Statistics Yearbooks of 1993-1997.

Appendix B

Retail Prices of Packaged Honey Products in Kuwait

Country of Origin	Package Size (grams)	Unit Price (K.D.)	Price (US\$/Kilo)	Remarks
Australia				
Brand A	250	.325	4.25	
“	375	.455	4.00	
“	400	.500	4.12	Pyramid Shape
“	500	.510	3.37	
“	1,000	.945	3.12	
Brand B	350	.485	4.57	
Brand C	750	.940	4.14	
“	1,000	1.120	3.70	
“	3,000	3.165	3.48	
Brand D	3,000	3.100	3.41	
Germany				
Brand A	500	.770	5.08	
Brand B	250	.480	6.34	
“	1,000	1.650	5.44	
Saudi Arabia				
Brand A	250	.790	10.43	Black Forest “
	250	.790	10.43	Acacia

“	250	.470	6.20	Natural
“	500	.920	6.07	“
“	500	1.420	9.37	Black Forest
“	500	1.420	9.37	Acacia
“	500	1.120	9.37	Orange Honey
“	750	1.415	6.22	Natural
“	1,000	1.790	5.90	“
United Kingdom				
Brand A	226	1.485	21.68	Cinnamon, Mango Lemon, Orange, and Raspberry Flavors.
U.S.A.				
Brand A	227	.495	7.20	Sage
“	227	.415	6.03	Clover
“	340	.595	5.78	Sage
“	340	.485	4.71	Clover
“	454	.725	5.27	Sage
“	454	.655	4.76	Clover
“	680	.935	4.54	Clover
“	1,135	1.740	5.06	Clover
Brand B	227	.425	6.18	
“	454	.725	5.27	

Note: Natural flavor, unless otherwise noted.

Exchange rate: One Kuwaiti Dinar (KD) equals US\$3.30